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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/184 25 February 1963

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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#### Summary of Events 8-21 February 1963

On 30 January 1963, protracted Soviet-Afghan trade negotiations were concluded with the signing of a protocol that reportedly calls for a balanced trade of \$20 million each way, approximately the same amount as traded under the previous two protocols. The new protocol, to be signed in Moscow later this month, also calls for additional Afghan exports worth \$5.7 million to cover at least a portion of a previously recorded trade imbalance. Although details of the new agreement are unavailable, it is probable that the Afghans resisted Soviet demands for the inclusion of Afghanistan's hard currency exports.

Communist China has extended an interest-free credit valued at \$16 million to Syria. The credit, to be repaid over a period of 10 years starting in 1976, will be used for imports of industrial equipment and machinery and technical assistance. No specific projects have been announced as yet.

Four MIG-21 jet fighters arrived in Bombay on 11 February, the remaining 8 now on order will not be delivered until mid-1964, and 24 more MIG-21's may be forthcoming. Soviet technicians reportedly are to arrive soon to assist in India's plans for manufacturing the aircraft. Acquisition of Soviet surface-to-air and air-to-air missiles reportedly has been discussed, and a delegation may visit the USSR to negotiate a deal.

Construction of operational surface-to-air missile sites in Egypt apparently has begun. During the past 2 months, Egypt has received enough SAM transporters from the USSR to support about eight sites.

The USSR and Czechoslovakia have renewed their efforts to expand their civil air routes in Africa, with the ultimate goal of establishing a route across Africa, linking the current routes in the east and west, and facilitating the development of an air route to Latin America. Czechoslovakia has concluded an air agreement with Tunisia and has scheduled negotiations with Sudan for mid-March. The USSR has requested overflight rights from Chad and Nigeria, and it appears probable that these countries will agree to the request, thus enabling the USSR to fly a circular route in Africa -- Moscow-Cairo-Khartoum-Accra-Conakry-Rabat-Moscow.

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